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STATE OF WASHINGTON
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GAMBLING COMMISSION
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In the Matter of the Revocation of the)
Certification to Conduct Gambling Activities of:) NO. CR 2011-00679
)
Julio C. Alberto) **SETTLEMENT ORDER**
Federal Way, Washington,)
)
Class III Employee.)
_____)

This Settlement Order is entered into between the Washington State Gambling Commission and Julio C. Alberto. Brian J. Considine, Assistant Attorney General, and Melinda Froud, Lead Staff Attorney, represent the Gambling Commission. The Class III Employee is represented by Dave Malone of Miller Malone & Tellefson.

I.

The Washington State Gambling Commission issued Julio C. Alberto certification¹ number 69-07551, authorizing Class III Employee activity, formerly with the Muckleshoot Tribe. This certification expires on November 20, 2011, and was issued subject to the certified employee's compliance with state gambling laws and regulations.

II.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the certified employee, on August 4, 2011. On August 15, 2011, Commission staff received Mr. Alberto's request for hearing.

III.

The following summary of facts and violations were alleged in the Notice of Administrative Charges:

1) In May 2011, Commission staff received a copy of an Incident Report from the Muckleshoot Tribal Gaming Agency (MTGA). The report documented the MTGA's investigation into Julio C. Alberto, Class III Employee and Floor Supervisor at the Muckleshoot Casino, falsely rating multiple people on the Player Tracking System.²

¹ Class III Certification is issued to employees working at tribal Casinos. The certification authorizes similar activities as the Card Room Employee (CRE) license issued to individuals working at commercial house-banked card rooms. By submitting a transfer form and fees, holders of a Class III Certification may convert their certification to a CRE license.

² The Player Tracking System is used for members of the "Player's Club" to track the player's betting trends. The player accumulates points based on the dollar amount of each bet and the amount of time they spend on a particular game. The Floor Supervisor rates the players in the system. The members of the "Player's Club" may then use the

- 2) Based on observations of surveillance staff and actions recorded on surveillance video, the MTGA determined that Mr. Alberto, while working as a Floor Supervisor, rated people he knew at large betting amounts on gaming tables they were not gambling at. Surveillance staff also observed Mr. Alberto rating the people he knew while other employees were logged into the Player Tracking System. This made it appear that another employee was the one issuing the additional points.
- 3) As a result, those people acquired points they did not earn and were able to collect rewards (free meals, gifts, or comp checks) that they should not have received. Under RCW 9.46.190, the Class III Employee's actions while working as a Floor Supervisor defrauded the Muckleshoot Tribe, his employer at the time.
- 4) When questioned by the MTGA, Mr. Alberto admitted to rating people he knew in the Player Tracking System when they weren't actually playing by "boosting their accounts, as well as by backing them up and showing high buy ins and high bets per hand." He also admitted to falsely rating those people while other employees were logged into the system "because people don't log out like they are supposed to and it was a mistake."
- 5) On April 18, 2011, the Muckleshoot Gaming Commission revoked Mr. Alberto's Tribal Gaming License.
- 6) Based on his actions, Mr. Alberto poses a threat to the effective regulation of gaming and enhances the chance of unfair illegal practices, and has failed to establish by clear and convincing evidence the necessary qualifications for certification under RCW 9.46.153(1).
- 7) Therefore, under Section V.C. of the Muckleshoot Tribe/State Compact, RCW 9.46.075(1) and (8), and WAC 230-03-085(1) and (8), grounds exist to revoke Julio C. Alberto's certification.

Section V.C. of the Muckleshoot Tribe/State Compact

The State Gaming Agency³ may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075, and rules promulgated there under, or for any reason or reasons it deems to be in the public interest. In addition, these reasons shall include, but shall not be limited to when a holder of certification: (The following subsection applies.)

(1) Is determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities in the conduct of the gaming activities permitted pursuant to this Compact; or the person has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal-State Compact.

accumulated points for rewards such as food comps, items from the casino gift shop, or money back (comp checks) on a percentage of the points total.

³ Washington State Gambling Commission, as referred to in the Muckleshoot Tribal/State Compact, Section II (U).

RCW 9.46.075 Denial, suspension, or revocation of license, application, or permit

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter.

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization: (The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by: (a) Prior activities; or (b) Criminal record; or (c) Reputation; or (d) Habits; or (e) Associations.

RCW 9.46.190 Violations relating to fraud or deceit

Any person or association or organization operating any gambling activity who or which, directly or indirectly, shall in the course of such operation:

(The following subsection applies.)

(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person.

Shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.02.021.

RCW 9.46.153(1) Applicants, licensees-Responsibilities, and duties-Waiver of liability-Investigation statement as privileged.

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

IV.

Julio Alberto acknowledges that he has read the Notice of Administrative Charges, and understands the facts contained in it. While not admitting to the facts and violations specified above in section III, Mr. Alberto agrees that if the Gambling Commission established the alleged facts in the case at issue, there would be sufficient evidence of the violations as stated in the administrative charges.

Because Mr. Alberto has not worked as a Class III Employee since February 2011 and no longer lives or works in Washington State, he has agreed to surrender his Class III Employee certification as follows:

1) **Julio Alberto shall surrender his Class III Employee certification no later than October 14, 2011.** This will result in his certification no longer being active and he will not be able to conduct Class III Employee or Card Room Employee activity.

2) In the event Mr. Alberto applies for a certification or gambling license, he will be subject to all the Commission's investigative procedures for processing an application for a certification or gambling license. Furthermore, no promises or assurances have been made to Mr. Alberto that he will receive a license or certification from the Commission should he apply.

3) Unless licensed, certified, or otherwise approved by the Washington State Gambling Commission, Julio Alberto agrees to have no involvement in the ownership, operation, or financing of any activity regulated by the Washington State Gambling Commission. This does not prevent Mr. Alberto from working in non-gambling related employment at an establishment engaged in authorized gambling activities.

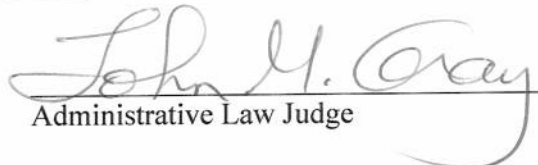
4) **The signed Settlement Order must be received by Commission staff by October 21st, 2011,** and mailed to Commission Headquarters at the following address:

Washington State Gambling Commission
Attention: Communications and Legal Division
P.O. Box 42400
Olympia, WA 98504-2400

Or delivered (in person or via private courier) to the following address:

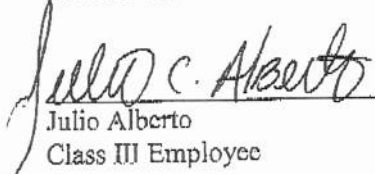
Washington State Gambling Commission
4565 7th Avenue SE; Fourth Floor
Attention: Communications and Legal Division Lacey, WA 98503

DATED this 14th day of December, 2011.


Administrative Law Judge

By his signature, the Class III Employee
Understands and accepts the terms
And conditions of this Order

APPROVED FOR ENTRY:

 ^{JA} 9/17/11
Julio Alberto (Date)
Class III Employee

APPROVED AS TO FORM:

Brian J. Considine, WSBA# 39517
Assistant Attorney General
Representing the Washington State
Gambling Commission

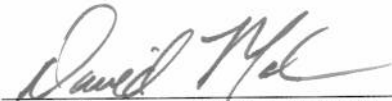
David Malone, WSBA #23435 (Date)
Attorney Representing Julio Alberto

Melinda Froud, WSBA #26792
Lead Staff Attorney,
Washington State Gambling Commission


By his signature, the Class III Employee
Understands and accepts the terms
And conditions of this Order

APPROVED FOR ENTRY:

Julio Alberto (Date)
Class III Employee



 11/10/11

David Malone, WSBA #23435 (Date)
Attorney Representing Julio Alberto



Melinda Froud, WSBA #26792
Lead Staff Attorney,
Washington State Gambling Commission

APPROVED AS TO FORM:

Brian J. Considine, WSBA# 39517 38112
Assistant Attorney General
Representing the Washington State
Gambling Commission